

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 11-12, 2006

Reference No.: 2.5e.(2)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Division Chief  
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS**  
**RESOLUTION FA-06-07**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-06-07, allocating an additional \$626,000 for the projects listed below.

## **ISSUE:**

Additional funds are needed for two previously approved projects in order to complete construction.

## **RESOLUTION:**

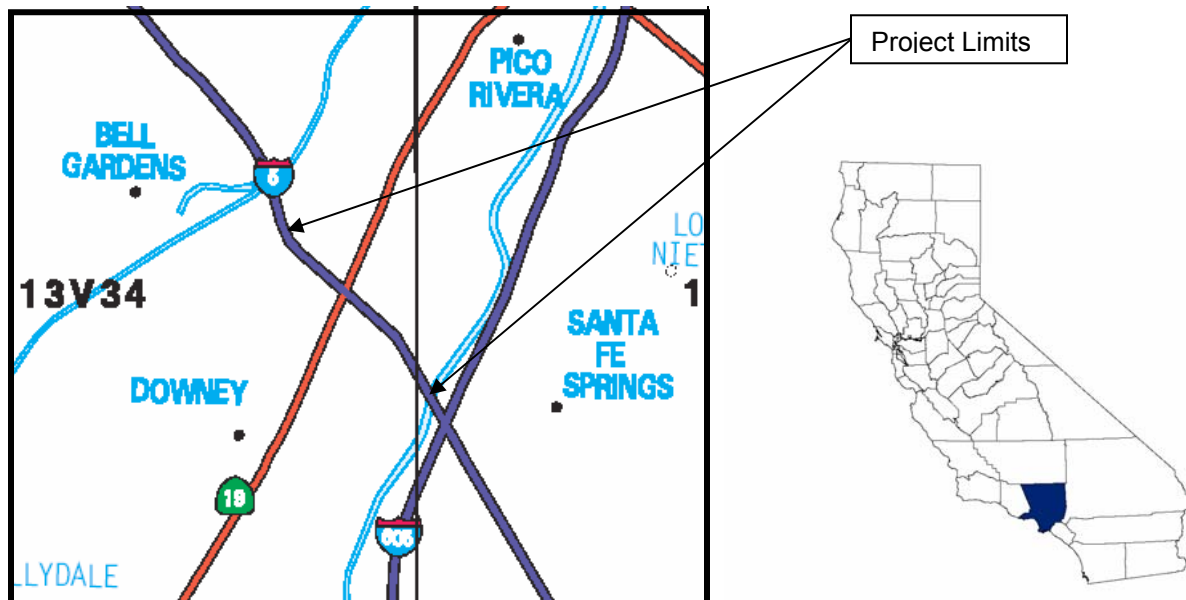
Resolved, that \$276,000 be allocated from the Budget Act of 2006, Budget Act Item 2660-801-3093, and \$350,000 be allocated from the Budget Act of 2006, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the projects identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	07-LA-5	\$2,780,000	\$2,662,000	\$2,962,000	\$276,000	\$3,238,000	9.3%
2	12-Ora-73	\$1,361,000	\$1,665,500	\$1,665,500	\$350,000	\$2,015,500	21.0%
<b>Total</b>		<b>\$4,141,000</b>	<b>\$4,327,500</b>	<b>\$4,627,500</b>	<b>\$626,000</b>	<b>\$5,253,500</b>	<b>13.5%</b>

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
<b>2.5e.(2) Supplemental Funds for Previously Voted Projects</b>					<b>Resolution FA-06-07</b>
1 \$276,000 Department of Transportation Los Angeles 07S-LA-5 7.1/8.9	In the city of Downey from San Gabriel River Bridge to 0.1 mile south of Paramount Boulevard.  Supplemental funds are needed to pay a Superior Court award.  Additional funds may be needed to pay unsettled arbitration award.	111714 07-0094S 1992-93 301-0042 301-0890 20.20.103.511 STIP  1995-96 301-0042 301-0890 20.20.103.511 STIP  1998-99 301-0042 301-0890 20.20.103.511 STIP  2006-07 801-3093 301-0890 20.20.025.700 IIP	\$242,744 \$2,635,823      \$3,272 -  \$33,284 \$46,877  - - -	\$276,000 -	\$242,744 \$2,635,823      \$3,272 -  \$33,284 \$46,877  \$276,000 -
			\$2,962,000	\$276,000	\$3,238,000

**RECOMMENDATION:**

The Department recommends that this request for \$276,000 be approved to pay a Superior Court award.



**PROJECT DESCRIPTION:**

The project is located on Route 5 in Los Angeles County, in the city of Downey, from San Gabriel River Bridge to 0.1 mile south of Paramount Boulevard Undercrossing. The project was to replace a soundwall.

**FUNDING STATUS:**

At the September 1992 Commission meeting, \$2,780,000 was allocated for this State Transportation Improvement Program (STIP) project. The project was awarded in February 1993 for \$2,662,000. During construction, G-12 authority in the amount of \$300,000 was used for Contract Change Orders. The project was completed and accepted on September 21, 1994. On April 11, 1995, the Contractor filed claims against the Department and commenced arbitration proceedings. On May 2, 2005, the California Superior Court ordered the Department to pay a portion of the claims, with interest. An additional \$276,000 in supplemental funds is needed to facilitate the settlement of these claims. There are still outstanding claims, therefore future supplemental funds may be needed to settle and close out the contract.

**REASONS FOR COST INCREASE:**

During construction, it was discovered that the existing soundwall was not as indicated on the contract plans. Furthermore, the contractor alleged that the Department failed to provide answers and instructions in a timely manner. On April 11, 1995, the contractor filed a written Statement of Claims. Arbitration was held in March 2001, resulting in an award to the contractor. On June 21, 2002, the Superior Court affirmed the arbitration award. The Department appealed the decision. On May 2, 2005, upon remand from the Court of Appeals, the Superior Court affirmed the arbitration award and ordered a new arbitration on the remaining issues. The new arbitration has not been scheduled.

**FUNDING OPTIONS:**

OPTION A: Approve this request for Supplemental Funds, as presented above, for \$276,000 to pay a Superior Court award.

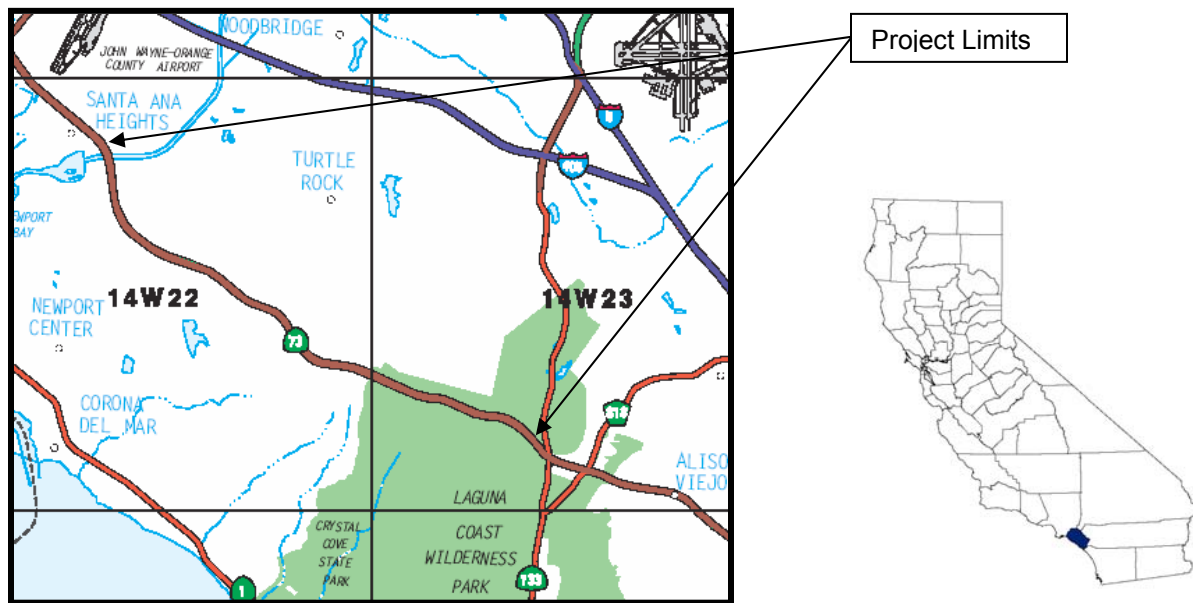
**RECOMMENDED OPTION:**

The Department recommends that this request of \$276,000, as presented in Option A above, be approved to pay a Superior Court award.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
<b>2.5e.(2) Supplemental Funds for Previously Voted Projects</b>			<b>Resolution FA-06-07</b>		
2 \$350,000 Department of Transportation Orange 12S-Ora-73 Var	Near Laguna Beach north of Laguna Canyon Road to south of Jamboree Road. Reconstruct compost filters.  Supplemental funds are needed to complete construction.	0C9841 12-3958D 2005-06 302-0042 302-0890 20.20.201.335 SHOPP  0C9841 12-3958D 2006-07 302-0042 302-0890 20.20.201.335 SHOPP	\$191,000 \$1,474,500      - -	- -  \$41,000 \$309,000	\$191,000 \$1,474,500  \$41,000 \$309,000 \$2,015,500

**RECOMMENDATION:**

The Department recommends that this request for \$350,000 be approved to allow this project to be completed as scoped.

**PROJECT DESCRIPTION:**

This project is located on Route 73 in Orange County, from 0.1 miles north of Laguna Canyon Road Undercrossing to 0.1 miles south of Jamboree Road Overcrossing. This project will reconstruct compost storm water filter systems.

**FUNDING STATUS:**

At the July 2005 Commission meeting, \$1,361,000 was allocated for this State Highway Operation and Protection Program (SHOPP) project. The project was awarded on October 17, 2005 for

\$1,665,500, including \$304,500 in G-12 authority. An additional \$350,000 in supplemental funds is needed to complete this project.

**REASONS FOR COST INCREASE:**

During the reconstruction of a compost storm water filter system, it was discovered that the system was built on top of a debris dumpsite. The Contract plans had provisions to excavate the material and to reuse the material as backfill. However, due to the undesirable composition of the existing material (organics, timber, refuse), the contractor had to dispose of the excavated material and to import backfill material. Furthermore, the unsuitable material was discovered at a majority of the locations within the project site. The estimated quantity of additional Import Borrow was 7,850 cubic yards.

The contract has been temporarily suspended due to depletion of the project's general and contingency funds. The primary reason for this is due to a cost overrun of the contract item, Import Borrow, as explained above.

**FUNDING OPTIONS:**

OPTION A: Approve this request for supplemental funds, as presented above, for \$350,000 to allow this project to be completed as scoped.

OPTION B: Deny this request and accept an incomplete contract of the compost storm water filter systems. The Department considered this option and determined that accepting incomplete compost storm water filter systems and executing another contract to complete the deleted work later, would result in greater costs.

**RECOMMENDED OPTION:**

The Department recommends that this request of \$350,000, as presented in Option A above, be approved to allow this project to be completed as scoped.